

FEDERAL FACILITIES CORPORATION LIQUIDATION FUND, ADMINISTRATIVE EXPENSES

PURPOSE OF THE PROGRAM

Subject to limitations enacted by Congress, assets of the Federal Facilities Corporation were made available for administrative expenses from 1958 through 1961. Limitations were established in annual appropriations acts, and were available for obligation only in the year for which enacted.

AUTHORITY FOR THE PROGRAM

GSA performance of functions set forth in the corporate charter was authorized by Executive Order 10720, dated July 11, 1957.

HISTORY OF THE PROGRAM

Under provisions of the Rubber Act of 1948 and Executive Order 10539, the Federal Facilities Corporation was established on June 30, 1954, primarily to administer operations of the Government-owned synthetic rubber facilities until disposal of the properties to private interests was completed. The Corporation was also designated to conduct operations of the Government-owned tin smelter at Texas City, Texas.

Administration and jurisdiction of the Corporation was transferred from the Secretary of the Treasury to GSA pursuant to Executive Order 10720. Assets transferred to GSA at the time represented a net Government investment of over \$29 million.

By the end of 1960, all plants had been disposed of, leaving only a workload of administering long-term disposal contracts. This was performed by regular GSA staff, without charge to the Corporation. As liquid assets were realized, they were transferred to the Treasury to repay the Government's original capital investment.

The Corporation was dissolved on September 30, 1961 as provided in P.L. 87-190 of August 30, 1961 (50 U.S.C. App., Sec. 1929). Liquidation functions were transferred to the Administrator of General Services. All subsequent receipts were deposited to miscellaneous receipts of the Treasury.

DEVELOPMENT OF APPROPRIATION LANGUAGE

The initial limitation on administrative expenses applying directly to GSA appeared in the Independent Offices Appropriation Act, 1959, and was the same as had previously appeared in the 1958 Treasury-Post Office Appropriation Act. It was repeated each year without change until the Corporation was dissolved.

"Not to exceed \$ _____ shall be available during the fiscal year _____ for all administrative expenses of the Corporation (including use of the services and facilities of Federal Reserve Banks), to be computed on an accrual basis, and to be exclusive of interest paid, depreciation, capitalized expenditures, expenses in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property belonging to the Corporation or in which it has an interest, expenses of services performed in connection with the performance of legal services, and all administrative expenses reimbursable from other Government agencies."

BUDGETARY HISTORY OF LIMITATIONS ON ADMINISTRATIVE EXPENSES
(In Whole Dollars)

Fiscal -- <u>Year</u>	Estimate <u>To BOB</u>	Presidents <u>Allowance</u>	House <u>Bill</u>	Senate <u>Bill</u>	-----Enacted Limitations-----		
					<u>Amount</u>	<u>P. L.</u>	<u>Date</u>
1958	(Treasury-Post Office Appropriations Act)				50,000		
1959	50,000	50,000	25,000	40,000	25,000	85-844	8/28/58
Suppl	1,800	1,800	1,620	1,620	1,620	86-30	5/20/59
1960	24,000	24,000	20,000	20,000	20,000	86-255	9/14/59
1961	20,000	20,000	20,000	20,000	20,000	86-626	7/12/60

FINANCIAL ASPECTS OF THE PROGRAM
\$(Thousands)

	^{1/} <u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>
<u>REVENUE, EXPENSE, & RETAINED EARNINGS:</u>						
Revenue (Operating)	22,149	424	433	404	355	60
Expenses (Operating)	23,132	1,154	619	265	27	2
Operating Profit or Loss	- 983	- 730	- 186	139	328	57

Non-Operating Loss (Cap. Transfers)	--	--	--	- 5,907	--	--
NET PROFIT OR LOSS	- 983	- 730	- 186	- 5,768	328	57
<u>FINANCIAL CONDITION:</u>						
<u>Assets</u>						
Cash with Treasury	9,865	4,603	561	158	34	--
Accounts Receivable, Net	1,868	1,770	1,715	1,644	1,615	--
Chemicals for Sale	468	468	468	399	399	--
Supp. and Deferred Charges	916	804	804	--	--	--
Mortgages Receivable	10,476	9,833	8,985	7,961	6,632	--
Property, Plant, & Equip. (Net)	5,983	5,341	5,058	13	9	--
Total Assets	29,576	22,819	17,591	10,175	8,689	--
<u>Liabilities</u>						
Current Liabilities	132	106	64	16	3	--
Contingent Liabilities	1,500	386	--	--	--	--
Total Liabilities	1,632	492	64	16	3	--
GOVERNMENT EQUITY	27,944	22,327	17,527	10,159	8,686	--
<u>REPAYMENT OF INVESTMENT TO TREASURY</u>	25,000	6,000	5,000	1,600	1,800	57
<u>OUTLAYS</u>	- 10,400	- 738,013	- 957,796	- 1,197	- 1,676	- 23

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Shown in budget schedules for comparability.